

AGENDA ITEM XII-B

Committee on Campus Planning actions

Board rules authorize the Committee on Campus Planning to act on behalf of the full Board for approval of certain types of projects. Board rule 17.10 also authorizes the Committee on Campus Planning to act on previously approved projects in which: (1) there is a change in the funding source; (2) the total cost estimates have increased by more than 10 percent; (3) the gross square footage is changed by more than 10 percent; or (4) the contract has not been let within 18 months from the Board's final approval date.

Under Board rule 17.4(d), the Committee may approve four types of projects that have not already come before the full Board: (1) gifts, purchase, or acquisition of real property having a value of \$300,000 to \$5 million; (2) construction of new educational and general space having a value of \$5 million to \$10 million; (3) major repair and rehabilitation of educational and general space for projects having a cost of over \$5 million; and (4) auxiliary enterprise projects costing between \$10 million and \$20 million.

The Committee acted on the following proposals at its April 2, 2004 meeting:

1. <u>The University of Texas at Arlington</u>	Sought Committee Approval:	April 2004
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Project:	Renovate Chiller #5 and Infrastructure Improvements
Project Cost:	\$4,200,000
Source of Funds	Bonds: Other Revenue Bonds (Designated Tuition)
RECOMMENDATION	Approved

Authority: *Rule 17.4(b)(4) The Commissioner is authorized to approve major repair and renovation projects of existing E&G facilities that will not add E&G space with a total projected cost of less than \$5 million. However, this project is being referred to the Committee because it does not meet the Board's standards.*

Project Description:

The University of Texas at Arlington requested approval to install a new 3,400-ton chiller in the existing Thermal Energy Plant and conduct infrastructure improvements to campus water supply systems. The infrastructure portion of the project would include:

- running 20-inch chilled water supply and return lines under the Chemistry and Physics Building during its construction to replace existing 40-year old lines;
- replacing approximately 325 feet of 8-inch steam supply and 325 feet of a smaller steam condensate return line with larger lines;

- up-sizing 1,000 feet of chilled water supply and return and steam supply and condensate return lines in the north-south utility tunnel in S. West Street; and
- replacement of eight steam expansion joints.

Project Evaluation:

The University of Texas at Arlington is currently planning or is in the process of constructing a new residence hall, a new Chemistry and Physics Building, and the Continuing Education and Workforce Development Center. The Master Plan for the campus includes additional significant growth during the decade between 2010 and 2020. Each of these buildings would require chilled water service, placing increased demands on the cooling capacity of the Thermal Energy Plant and associated utility infrastructure.

This project met the Board's standards for space need, cost, efficiency, deferred maintenance, and critical deferred maintenance. The university did not meet the Board's standards for utilization. This project does not include the addition of classrooms or class labs to the campus, and it would reduce deferred maintenance by approximately \$987,000.

This project is ranked 20th of 46 on the university's MP1 report.

**2. The University of Texas Health
Science Center at Houston**

Sought Committee Approval:

April 2004

Project: Re-approve Construction of Recreation Center
Project Cost: \$4,600,000
Source of Funds Cash: Insurance Proceeds (\$3,341,000); Cash: Auxiliary Enterprises (\$1,259,000)
RECOMMENDATION: Approved

Reason(s) for Re-approval: Rule 17.10 – Evaluation Considerations

- ☒ Total project cost exceeds estimates by more than 10 percent
☐ Contracts not let within 18 months of final approval date
☐ GSF changed by more than 10 percent
☒ Change in funding source

Authority: Rule 17.4(d)(5) *The Committee on Campus Planning is authorized to re-approve projects that are not eligible for Commissioner approval.*

Project Description:

The University of Texas Health Science Center at Houston sought re-approval to construct a new 15,236 GSF Recreation Center to replace the 21,000 GSF facility that was destroyed by fire in January 2001. The new facility would be located on the same site and would include:

- indoor aerobics and strength training;
- indoor and outdoor racquet sports;
- softball;
- basketball;
- outdoor swimming;
- locker rooms; and
- administrative offices.

Project Evaluation:

This project was originally approved in July 2001 for \$3,000,000. The project was resubmitted in April 2003 due to design and funding delays which caused the project to extend past the 18-month approval timeframe. Construction on the new facility is approximately 90 percent complete, but the institution requested re-approval at this time due to an increase in project cost and a change in scope. The timeline of changes is as follows:

- July 2001
 - Project was approved for \$3,000,000 to be paid with Auxiliary Enterprise Revenue;
 - New construction would include 20,000 GSF and 16,000 NASF;
 - Cost per GSF equaled \$92. Building cost was approved at \$1,830,000.
- April 2003
 - Project was re-approved at no change in total project cost or financing;
 - New construction remained unchanged;
 - Cost per GSF rose to \$125 due to a change in cost distribution. Building cost increased to \$2,493,409.
- April 2004
 - Proposed project cost has increased over 50 percent to \$4,600,000; Funding has been changed to include Insurance Proceeds. The remainder is covered by Auxiliary Enterprise Revenue;
 - New construction has been reduced to 15,236 GSF and 11,061 NASF;
 - Cost per GSF equals \$250. Building cost has increased to \$3,814,916.

The institution stated that the following unforeseen costs required changes in the project scope:

- The \$3,600,000 in insurance proceeds needed to cover items lost in the fire.
- The insurance company stated that it would not cover the cost of replacing the existing slab because it could be reused. However, the slab had to be torn out and replaced because the contractor refused to use it.

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- The University of Texas System required the university to construct a more expensive metal-framed structure instead of the proposed wood-frame structure.
- A Fire Marshal inspection resulted in the need to install sprinklers in both the existing and proposed recreation facilities.
- Moveable walls were incorporated into the structure to provide more versatility.

Although the project cost has increased, the size of the proposed facility was reduced from 20,000 GSF to 15,236 GSF to make up as much of the cost as possible. For example, the institution removed three of the four proposed racquetball courts. However, in April 2002, the institution opened what was to be an addition to its existing facility. This 9,200 GSF space was to provide additional workout and weightlifting space, but it became the institution's interim recreation center after the fire. The addition of this project would provide approximately 25,000 GSF of total recreational use. The expansion project did not come before the Board for approval because the cost of the new construction was less than \$1,000,000.

This project met the Board's standards for space need, efficiency, deferred maintenance, and critical deferred maintenance. This project did not meet the Board's standard for cost. Utilization is not calculated for health-related institutions.

This project is ranked 11th of 33 on the institution's MP1 report.

3. Texas A&M University-Kingsville Sought Committee Approval: April 2004

Project:	Construct Wildlife Center
Project Cost:	\$1,997,000
Source of Funds	Cash: Gifts/Donations
RECOMMENDATION	Approved with condition
Condition	That the university develop and report to the Board a specific plan of action for addressing the space surplus and deferred maintenance on the campus. It is expected that the university demonstrate progress on the plan in any subsequent applications for facilities improvement projects.

Closing the Gaps Goals: Excellence

This project affects the goal of Excellence by promoting and increasing accessibility to the Caesar Kleberg Wildlife Research Institute, a world-renown wildlife research institute that provides educational workshops, symposia, and conferences.

Authority: *Rule 17.4(b)(7) The Commissioner is authorized to approve new construction projects having a value of \$1 million to \$5 million. This project has been referred to the Committee because it did not meet Board standard for space need.*

Project Description:

Texas A&M University-Kingsville sought approval to construct a new 7,500 GSF building to support the Caesar Kleberg Wildlife Research Institute. The facility would include:

- a large, multi-purpose auditorium to seat 200 people;
- an exhibit area;
- a professionally-equipped conference room to seat 30 people;
- a catering kitchen; and
- an office with support space.

The new facility would be located approximately 0.5 miles from the main campus.

Project Evaluation:

Texas A&M University-Kingsville stated that an essential component of the Caesar Kleberg Wildlife Research Institute is the sharing of science-based information with the public but that a facility specifically for this purpose is lacking on the campus. The Institute must constantly find other venues outside Kingsville for its public programs because the current university facilities are limited. This project would provide a state-of-the-art facility to support the Institute's efforts to promote the conservation and management of wildlife in South Texas.

The donation of \$1,997,000 for this facility is in hand. In October 2002, the Board approved a Tuition Revenue Bond evaluation for Texas A&M University - Kingsville to construct a new Pharmacy Building, bringing its space surplus to 180,127 E&G NASF. At that time, the issues of space utilization and space need were questioned. This project would increase the campus surplus to 204,610 E&G SF.

The director of the Office of Campus Planning visited the campus in fall of 2003 to review this project. The following concerns were expressed:

- The project would add to an existing surplus of space on the campus.
- The proposed facility is intended for public use, not for student use. Credit hours would not be generated through the E&G space in this facility.
- The institution reported that this project would eliminate \$26,500 of deferred maintenance from the MP2; however, this is a new project and no projects associated with this request could be identified on the institution's MP2 report.
- The university reported a fall 2002 classroom utilization of 26.7 hours per week (rank 28th of 34) and a class laboratory utilization of 9.6 hours per week (rank of 34th of 34); both of these rates are significantly below Board standards.

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- A number of buildings on this campus have been reported to be in serious need of repair; the institution was reporting \$3.5 million in deferred maintenance on the campus.
- A review of the facilities inventory for the campus revealed a number of buildings in deteriorating condition that were not included in the university's Master Plan.

As a result of that visit, the institution has assessed its campus and taken the following actions:

- The university reported that it has addressed \$3.3 million in deferred maintenance in 2003.
- The university has reported an increase of deferred maintenance identified on the campus from \$3.4 million in 2002 to \$5.8 million in 2003. The increase is due largely to the assessment of the campus condition and need.
- The university has increased its enrollment from 6,157 in fall 2002 to 6,420 in fall 2003.
- Preliminary reports on classroom utilization indicate that the university has increased its classroom and class lab utilization for fall 2003. The university reported that it has changed its protocol to reduce the number of classes identified as "TBA" (to be announced) in their classroom reports. The university has also reviewed its scheduling procedures to more efficiently use their classrooms and class labs.
- A campus review of the facilities inventory yielded a reduction of over 46,000 E&G SF space that had been incorrectly coded in the facilities inventory, and another 55,250 SF is under review. The university staff has examined how they are coding space on the campus and are ensuring that the buildings and rooms are properly coded.
- The university reports that an Animal Research Barn used for wildlife demonstrations is currently identified on its MP2 report as needing \$26,500 in deferred maintenance. It is expected that these demonstrations will be held at the new Wildlife Center, thereby eliminating this amount from its MP2 deferred maintenance report.
- The university is developing a plan of action to reduce its surplus of space.

Because the university has aggressively addressed its facility condition and inventory as a result of this project application, the university has reduced its E&G inventory by 46,358 SF. Three buildings have been mothballed (12,649 E&G SF), and 33,709 E&G SF have been reclassified to non-E&G space. Several additional buildings are currently under consideration for mothballing status for an expected reduction of an additional 18,575 E&G SF. Eight temporary portable buildings leased for the system center in San Antonio are expected to be removed from the facilities inventory by FY

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2008, further reducing the inventory by 10,475 E&G SF. The university reports that 36 farm buildings used primarily for machinery storage, barns, greenhouses, and chemical storage are under review and should result in an additional reduction of surplus space on the campus. Adjustments in the Space Projection Model will be made upon confirmation of the removal of this 75,408 E&G SF from the inventory.

The university reported that it has invested \$61.7 million in capital improvements since 1995; \$33 million of that amount was for major construction, \$15.5 million for renovation of eleven buildings, and \$13.2 million for up-grades to campus infrastructure.

Continued review and evaluation of the campus facilities is warranted. Therefore, staff recommended approval with the condition that the university develops and reports to the Board a specific plan of action for addressing the space surplus and deferred maintenance on the campus. It is expected that the university demonstrate progress on the plan in any subsequent applications for facilities improvement projects.

This project met the Board's standards for space need, cost, efficiency, deferred maintenance, and critical deferred maintenance. The university did not meet the Board's standards for classroom and class lab utilization.

This project is ranked 4th of 30 on the university's MP1 report.

4. Texas Tech University

Sought Committee Approval:

April 2004

Project:	Renovate Student Union Building IIB
Project Cost:	\$6,000,000
Source of Funds	Bonds: Other Revenue Bonds, Student Fees (\$5,760,000) Cash: Other Local Funds (\$240,000)
RECOMMENDATION:	Approved

Authority: *Rule 17.4(d)(3) The Committee on Campus Planning is authorized to approve major repair and renovation having a value of \$5 million or more.*

Project Description:

Texas Tech University proposed to renovate the existing Student Union Building. The project would include:

- renovation of existing clay tile roofs;
- repair to exterior stone and brick;
- installation of an attic fire suppression system;
- upgrade interior finishes; and
- improvements to landscape and hardscape.

Project Evaluation:

This project is Phase IIB of a major renovation of the Student Union Building; it will complete the work on the Student Union Building. Phase I of this project relocated the bookstore, administrative offices, the center for campus life, the campus computer store, and a 30-station computer lab to the Student Union Building. This phase also provided offices for student government and organizations, renovated the dining production kitchen, added casual dining, provided a 100-seat theater, added conference meeting rooms, and provided infrastructure upgrades, landscaping, and site work for the building.

Phase II of the project would add 85,000 SF to the building; relocate the ID office, convenience store and postal center; complete renovation to the food court and dining pavilion, roof, mechanical systems, windows, and ADA upgrades, and landscaping.

This project would be funded by revenue bonds supported by student fees and other local funds.

This project met the Board's standards for space need, cost, deferred maintenance, and critical deferred maintenance. The standard for efficiency was not applicable, as this project would not add space. This university did not meet the standard for utilization, but this project will not add E&G space.

This project is not ranked on the university's MP1 report.

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5. Lamar University

Sought Committee Approval:

April 2004

Project:	Energy Savings Performance Contract
Project Cost:	\$13,747,450
Source of Funds	Bonds: Energy Performance Contracting (Energy Savings)
RECOMMENDATION:	Approved pending contract review by an independent, licensed engineer

Closing the Gaps Goals: Success and Excellence

This project would affect the goals of Success and Excellence by providing a better learning and working environment through improved lighting and temperature control. Financial resources saved from other sources could be used to make further improvements to the quality of the educational environment.

Authority: *Rule 17.4(d)(3) The Committee on Campus Planning is authorized to approve major repair and renovation having a value of \$5 million or more.*

Project Description:

Lamar University sought approval to make improvements to its energy systems, including:

- lighting upgrades;
- chiller plant equipment replacement;
- air handling unit replacement and efficiency improvements;
- air handling unit conversion to variable air volume units;
- energy management systems; and
- water conservation.

This project would be funded with the energy savings realized by these improvements. The university estimates that this project would reduce its reported deferred maintenance by \$3,135,000.

Project Evaluation:

Lamar University recently requested a detailed engineering energy audit be performed on its campus to identify areas for improvement. T.A.C. Americas (TAC) responded to this request with a proposal to provide energy management services and facility infrastructure upgrades through an energy savings performance contract. The company surveyed the buildings on the university's campus and identified areas of improvement for each building that would potentially reduce overall utility costs significantly.

According to the proposal, the implementation cost would be \$13,747,450, to be paid over a 15-year term. TAC has proposed that the university purchase all equipment under a combination of a 15-year Master Lease Purchase Program administered through the Texas Public Finance Authority and a tax-free municipal lease purchase provided by TAC. This combination is expected to produce the positive cash flow needed to cover the debt service for both leases.

TAC would guarantee a savings of \$1,319,637 per year. This is 85 percent of the projected savings of \$1,537,750 per year, but it is expected to cover the annual lease purchase payments and TAC fees not to exceed approximately \$1,315,000 per year. If the savings are insufficient to cover the annual lease payments and the TAC fees, TAC would make up the difference. TAC has predicted an annual cash surplus of approximately \$227,750 per year over the 15-year term.

A third-party engineering review is required by statute to certify that the contract meets the guidelines specified in the Texas Education Code relating to Energy Savings Performance Contracts. The proposal has been submitted to an engineer for review, and was expected to be completed for presentation to the Committee on Campus Planning at its April 2, 2004 meeting.

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This project met the Board's standards for space need, cost, efficiency, deferred maintenance, and critical deferred maintenance. The university did not meet the Board's standard for utilization, but this project would not add additional classrooms or laboratories to the university's facilities inventory.

This project is not ranked on the university's MP1 report.
